VZCZCXRO0291 PP RUEHSL DE RUEHNO #0310/01 1981519 ZNY CCCCC ZZH P 171519Z JUL 09 FM USMISSION USNATO TO RUEHKB/AMEMBASSY BAKU PRIORITY 0119 RUEHC/SECSTATE WASHDC PRIORITY 3197 RUEHZG/NATO EU COLLECTIVE INFO RHMFISS/HQ USEUCOM VAIHINGEN GE RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHDC RHEHNSC/NSC WASHDC RUEKJCS/JOINT STAFF WASHDC RUEHBS/USNMR BRUSSELS BE RUEHNO/USDELMC BRUSSELS BE

C O N F I D E N T I A L SECTION 01 OF 02 USNATO 000310

SIPDIS

E.O. 12958: DECL: 07/15/2019 TAGS: <u>NATO PGOV PINR PREL AJ</u>

SUBJECT: AZERBAIJAN: MEMBER OF THE NATO COMMUNITY, BUT NOT

THE NATO FAMILY

REF: USNATO 00305

Classified By: Amb Ivo Daalder for Reasons 1.4(b) and (d)

11. (C) Summary: In an upbeat assessment of Azerbaijan's progress on its path to reform, Azerbaijani Foreign Minister Mammadyarov reported to PermReps at the July 15 North Atlantic Council that its relationship with NATO was "close and improving." Mammadyarov proudly reported that Azerbaijan had doubled its personnel contributions to ISAF and wanted to "redouble" its efforts in several areas of reform. Mammadyarov cast Azerbaijan as an economically strong nation, eager for regional stability, and able to withstand pressure from Russia to limit its Western-leaning reforms. Allies welcomed Baku's commitment to the Partnership for Peace, while encouraging Azerbaijan to make further reforms-particularly political reforms. (Note: Mammadyarov's disappointing comments on the issue of whether Azerbaijan would provide overflight clearance to NATO AWACS planes flying to Afghanistan in support of the NATO-led ISAF operation were reported in reftel.) End summary.

NATO-Baku Relations: Close and Improving

12. (C) In a July 15 meeting with the North Atlantic Council, Azerbaijan FM Mammadyarov said that the NATO-Azerbaijan relationship was close and improving. He noted that Azerbaijan had been a member of NATO's Partnership for Peace (PfP) program for 15 years and was completing its fourth year in the Individual Partnership Action Plan (IPAP) process. In the past year, the FM reported that over 300 Azerbaijanis had participated in NATO PfP exercises and workshops, a number Azerbaijan hoped to double next year.

Afghanistan

13. (C) Mammadyarov said Azerbaijan was committed to stability in the region and wanted to continue to increase its contributions to ISAF forces and assistance to the government of Afghanistan. He reported that Azerbaijan had doubled its contributions to the NATO-led ISAF operation in Afghanistan from 45 to 90 personnel. At the same time, he stressed that Baku's primary focus in Afghanistan was in the area of good governance. He said that Azerbaijan had provided training to Afghan military and diplomatic officials at Azerbaijan's military and diplomatic academies. (Note: Mammadyarov's disappointing response to questions about overflight clearance for NATO AWACS flights in support of the Alliance's Afghanistan mission was reported in reftel.)

Reforms Continue

- 14. (C) Mammadyarov said that Azerbaijan was continuing to reform its society in order to reach its goal of being a "stable, secular, Muslim state." As an example, he reported on a program to use oil revenues to send over 500 students to universities abroad, adding that he hoped that after their education these students would return with a renewed commitment to a democratic, open society.
- 15. (C) Mammadyarov said that defense and military reforms were also continuing. He said Baku was concluding its Military Doctrine, which would likely be presented to the parliament this autumn. He also said that Azerbaijan was beginning a Strategic Defense Review.

Economic and Energy Issues

16. (C) Mammadyarov reported that the economy in Azerbaijan was growing, despite the current financial crisis. He added that the signing on July 13, 2009 of the Nabucco Pipeline Agreement would further bolster Azerbaijan's economy and strengthen Europe's energy security by providing an alternative route for Caspian Sea oil and natural gas to Europe. At the same time, he cautioned that commercial companies were involved in Nabucco and would have a role in shaping it. He also said that Azerbaijan was diversifying its economy, noting that the non-oil sector of the economy

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grew by 14 percent last year and that agri-business was an important part of the non-oil section of the economy.

Relations with Armenia

17. (C) According to Mammadyarov, Azerbaijan's "big problem" was its conflict with Armenia. He thanked the Alliance for its previous expressions of support for Azerbaijan's territorial integrity. He said that discussions in the Minsk Process had been positive, while cautioning that the "devil was in the details." Mammadyarov added that Azerbaijan always had seen peace negotiations with Armenia as an incremental, step-by-step process, adding that Armenia was "finally" coming around to that approach as well. He said many more confidence-building steps had to be taken before Azerbaijan could negotiate the status of Nagorno-Karabakh, including the withdrawal of Armenian troops from certain areas of Azerbaijan, the return of displaced Azerbaijanis to Nagorno-Karabakh, the restoration of rail lines and roads in the region, and the unimpeded access of Armenians to Nagorno-Karabakh. Mammadyarov added that he was "conservative" in his hopes for a "breakthrough" during the July 17th Russian-hosted summit between Armenian President Kocharian and Azerbaijani President Aliyev. He added Russia had "a way of making proposals that cannot be refused."

Allies Respond

18. (C) NATO Allies' Response: The PermReps applauded Azerbaijan's troop contributions to the Alliance mission in Afghanistan. Allies also welcomed Baku's commitment to the Partnership for Peace, with Italy calling Azerbaijan a "model" PfP country. At the same time, several PermReps, including Germany and Spain, expressed concern about the slow progress of democratic reforms and the lack of freedom of speech and the media in Azerbaijan. Despite its more positive comments, Italy also encouraged Azerbaijan to use "the PfP toolbox" to further enhance political dialogue and defense reform. A number of Allies, such as Romania, welcomed Baku's participation in the recent PfP exercises in Georgia which Russia had opposed.